

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 ACDA-07 EB-08 TRSE-00 COME-00 OMB-01
OES-06 STR-04 FRB-03 XMB-02 /098 W
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FM USLO PEKING

TO SECSTATE WASHDC 7547

INFO AMCONSUL HONG KONG

AMEMBASSY MOSCOW

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC FOR POLAD

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E.O. 11652: N/A

TAGS: PFOR, EEWT, CH, US, UR

SUBJ: PRC NEWS AGENCY HITS WESTERN LOANS TO SOVIET UNION

REF: PEKING 460

1. PEKING'S HSIHUA NEWS AGENCY SEEMS TO BE MOUNTING A CAMPAIGN AGAINST WESTERN ECONOMIC RELATIONS WITH THE SOVIET UNION. AN ARTICLE APRIL 5 CITED ECONOMIST AND MANCHESTER UNION LEADER IN SUPPORT OF THESIS THAT WESTERN BANKS ARE RUNNING RISK BY ALLOWING SOVIET INDEBTEDNESS TO RISE TO DANGEROUS LEVELS. ANOTHER ARTICLE FOLLOWING DAY COMMENTS ON SOVIET DESIRE FOR INCREASED TRADE WITH US, WHICH HAS BEEN FRUSTRATED UP UNTIL NOW DUE TO JACKSON VANIK AMENDMENT. KREMLIN'S REAL DESIRE, ACCORDING TO THE ARTICLE, IS TO "OVERCOME ITS ECONOMIC WEAKNESS BY OBTAINING US CAPITAL,
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EQUIPMENT AND TECHNOLOGY AND BOLSTER ITS STRENGTH IN THE BID FOR WORLD DOMINATION."

2. EARLIER HSIHUA PIECES MARCH 10 AND MARCH 30, THE FORMER ALSO REPLAYED IN PEOPLE'S DAILY (REFTEL), QUOTED TWO SEPARATE CHICAGO TRIBUNE ARTICLES IN OPPOSITION TO U.S. LARGE SCALE CREDITS

TO SOVIETS AND THEIR ALLIES. HSIHUA NOTED THAT
"AS THE SOVIETS HAVE COMPLETED CONSTRUCTION OF
THEIR WEST-5'-AIMED AND AWESOME WAR MACHINE,"
SOVIET BLOCK INDEBTEDNESS HAS RISEN TO MORE THAN
40 BILLION DOLLARS.

3. COMMENT: PRC HAVE, OF COURSE, IN THE PAST
CONSISTENTLY DENOUNCED VIRTUALLY EVERY ASPECT OF
U.S.-SOVIET DETENTE, INCLUDING TRADE AND ECONOMIC
COOPERATION. RECENT SPATE OF ARTICLES ON LOAN
QUESTION MAY REFLECT CHINESE FEELING THAT CLIMATE
OF OPINION IN WEST IS INCREASINGLY SKEPTICAL ABOUT
BENEFITS OF SUCH LARGE-SCALE CAPITAL TRANSFERS.
GATES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, NEWS MEDIA COMMENTS, BANK LOANS, SINO SOVIET DISPUTES
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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